



SANDYMOOR

PARISH COUNCIL

Internal Control Statement

1. Scope of Responsibility

The Accounts and Audit Regulations states that a Council shall be responsible for ensuring that its financial management is adequate and effective and that it had a sound system of internal control which facilitates the efficient exercise of the Council's functions which includes arrangements for the management of risk.

Sandymoor Parish Council (the Council) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is properly accounted for.

In discharging this overall responsibility, the Council is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the Council's functions, and which includes arrangements for the management of risk.

2. The Purpose of the System of Internal Control

The system of internal control is designed to ensure that the Council's activities are carried out properly and as intended, and they manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aim and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

Controls will include the checking of routine financial procedures; the recording of assets and liabilities; the identification of risk and to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively, and economically.

3. The Internal Control Environment

a) The Council

The Council has appointed a Chairman who is responsible for the smooth running of meetings and ensuring all Council decisions are lawful.

Decisions made should be within the Standing Orders and Financial Regulations laid down by the Council.

Two Authorised Cheque Signatory Councillors must sign cheques. The Clerk/RFO may not be named signatory.

The Council reviews its obligations and objectives and approves budgets for the following year at its December and January meetings. The January Full Council meeting approves the level of Precept for the following financial year.

The Council receives a monthly account statement for the Council's bank accounts and the bank reconciliation is checked on a quarterly basis by a councillor.

All payments are presented to the full council at each monthly meeting where they are checked and signed off by the full council prior to payments being made.

The Parish Council review the Financial Risk Assessment on an annual basis.

b) The Clerk/Responsible Financial Officer

The Council has appointed a Clerk to the Council who, as Proper Officer, acts as the Council's advisor and administrator. The Clerk is responsible for the day-to-day compliance with the laws and regulations that the Council is subject to and for managing risks. The Clerk also ensures that the Council's procedures, control systems and policies are maintained.

The Council has appointed a Responsible Financial Officer (RFO) who is responsible for administering the Council's finances. The RFO is responsible for checking and submitting payments for authorisation to the Council at each meeting in accordance with the approved financial procedures. The RFO submits all of the requested information to both the Internal Auditor and the External Auditor by the required dates. The RFO is responsible for identifying, recording, and reclaiming VAT on payments made on at least an annual basis.

The RFO arranges for the public notices to be displayed both in the Council noticeboards and on the Council's website.

The Clerk and the RFO maintain a full asset register which is reviewed annually.

c) Internal Auditor

The Council has appointed an Independent Internal Auditor who will report to the Council on the adequacy of its:

- Records
- Procedures
- Systems
- Internal Controls
- Regulations
- Risk Management
- Reviews

The effectiveness of the internal audit is reviewed annually, and the Council agrees to the appointment of the Internal Auditor. The Internal Auditor, who is competent and independent, is advised of the scope of the work required by the Council.

The Internal Auditor will inspect the accounts at the year-end prior to completion of the Annual Return and will complete the Internal Auditors section of the Annual Return.

Any findings or recommendations from the Internal Auditor will be considered by the Council at their Council meeting to certify and approve the accounting statements. Recommendations from the report will be recorded in the minutes.

d) External Audit

The Council's External Auditor submits an External Audit Report, which is presented to the Council.

4. Review of Effectiveness

The Council has a responsibility for conducting an annual review of the effectiveness of the system of internal control. The review of the effectiveness of the system of internal control is informed by the work of:

- The Full Council.
- The Clerk to the Council/RFO who have the responsibility for the development and maintenance of the internal control environment and managing risks.
- The Internal Auditor who reviews the Council's system of internal control.
- The External Auditor undertake the final check using the Annual Return, a form completed and signed by the RFO, the Chair and the Internal Auditor. An External Audit Report is issued on completion of the External Audit.

5. Reporting of Internal and External Audit Issues and/or Recommendations

Any issues and/or recommendations identified in the Internal or External Audit Reports will be presented to the Full Council and any follow-up actions or responses will be agreed by the Council at the next Full Council meeting.

6. Review of Effectiveness

The Council is responsible for conducting a review of the effectiveness of the system of internal control, on at least an annual basis. See appendix 1 for the Internal Control Testing form to complete this review. The findings of the annual review shall be reported to and considered by the Council.



27th February 2025

Signed and dated on behalf of Sandymoor Parish Council (Chair)



27th February 2025

Signed and dated by Sandymoor Parish Council RFO

Appendix 1 – Internal Control Testing Form
Internal Control Testing
Council Controls
Proper Bookkeeping

Is the cashbook maintained and up to date?	
Is the cashbook arithmetic correct?	
Is the cashbook regularly balanced?	

Standing Orders & Financial Regulations

Has the council formally adopted Standing Orders and Financial Regulations?	
Has the Responsible Financial Officer been appointed with specific duties?	
Have items or services above the de minimis amount been competitively purchased?	
Are payments in the cashbook supported by invoices, authorised and minuted?	
Has VAT on payments been identified, recorded, and reclaimed?	
Is S137 expenditure separately recorded and within statutory limits?	
Does a review of the minutes identify any unusual financial activity?	
Do minutes record the council carrying out an annual risk assessment?	
Is insurance cover appropriate and adequate?	

Budgetary Control

Has the council prepared an annual budget in support of its precept?	
Is actual expenditure against the budget regularly reported to the council?	

Are there any significant unexplained variances from budget?

Income

Is income properly recorded and promptly banked?	
Does the Precept recorded agree to the Council Tax authority's notification?	

Debit Cards

Are all debit card entries balanced/checked to the statements?	
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Payroll

Do all employees have contracts of employment with clear terms and conditions?	
Do salaries paid agree with those approved by the council?	
Are other payments to employees reasonable and approved by the council?	
Have PAYE/NIC been properly operated by the council as an employer?	

Asset Management

Does the council maintain a register of all material assets owned or in its care?	
Is the asset and investment register up to date?	

Bank Reconciliation

Is there a bank reconciliation for each account?	
Is a bank reconciliation carried out regularly and in a timely fashion?	
Are there any unexplained balancing entries in any reconciliation?	

Year-End Procedures

Are year-end accounts prepared on the correct accounting basis (Receipts & Payments or Income & Expenditure)?	
Do accounts agree with the cashbook?	

Completed by:

Date: _____

RFO

Checked By:

Date: _____

Councillor

Appendix 2 – Change Log

Date Issued	Reason for Update
27/02/2025	New document